



ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
O'NEILL ROOM
7:30 PM 3/15/17

ATTENDEES:

Deyst	White	Caccavaro*	Kellar*	McKenna*
DeCoursey	Wallach*	Harmer*	Gibian*	
Tosti*	Foskett*	Bayer*	Duvadie	
Russell	Beck	Jones*	Deshler*	
Franclemont*	Howard*	Fanning*	Carman*	Diggins*

*Indicates present

VISITORS: Town Manager Adam Chapdelaine, Superintendent Kathy Bodie, Deputy Town Manager Sandy Pooler

MINUTES of 3/8/17 Approved as corrected. Unanimous

STM ART 3 HARDY SCHOOL EXPANSION Chapdelaine supported by Bodie and using Ref 1 requested the bonding for Hardy in the FY18 Capital Plan be authorized early so that the project can start early and finish by Sep 2018. Enrollment projections require 3 to 4 more classrooms. The School Enrollment Task Force recommended 6 more to relieve the pressure on the music and special classroom space. They also recommended a cafeteria expansion Ref 2.

VOTED \$3,500,000 and to authorize the CPC to amend this project in the capital plan voted on 3/8/17. Unanimous

STM ART 4 GIBBS SCHOOL RENOVATION: Chapdelaine supported by Bodie and using Ref 3 said that the expected cost has increased from \$25m, authorized by last year's debt exclusion referendum vote, to \$27m (Ref 3). The Town has hired a "Construction Manager At Risk" who is working with the design team to bring the project in within the \$27m fixed cost. About half the extra cost will be covered by a DOR-allowed cost inflation in the debt exclusion vote. The rest will be covered by the non-exempt capital budget. This project is also urgent. The goal is to finish by Sep 2018. Changes in the Capital Plan will be required. Since \$2.55m has already been borrowed, Chapdelaine requested an additional \$24.45m. VOTED \$24,450,000 Unanimous.

VOTED to authorize the CPC to adjust the capital plan to fund the additional cost.. Unanimous

ART 40 GIBBS SCHOOL RENOVATION: This article is redundant.

VOTED No action.

STM ART 5 TRANSFER FROM SPED FUND: Bodie requested that \$335K be transferred from this fund to the schools to pay out-of-district costs. She says there has been no cap placed on SPED private school costs by the State.

ART 46 TOWN CELEBRATIONS: Chapdelaine requested the Town support Town Day and Feast of the East costs. These costs, that partially pay for police and DPW support, are \$40k/yr for Town Day and up to \$15k/yr for Feast of the East. So far, private fund raising have paid for these events. Members expressed concern with adding this new service. They suggested that such funds be offered as matching funds.

VOTED \$15167 distributed as follows

Town Day \$5,000 12-2

Feast of the East No action 9-4

Flags on graves \$4,500 Unanimous

Patriots Day, Memorial Day, Veterans Day \$5,667 Unanimous

ART 26 PARKING BENEFITS DISTRICT Chapdelaine, using Ref 4, revised previous parking meter costs and revenue. He projects a revenue of \$425k/yr, some of which has always gone to the general fund. He projected expenses totaling \$415K including \$150k to beautify and maintain a new parking district in the Center. Such districts would be authorized by voting to accept a new State law.

Chapdelaine would request endorsement of such expenditure by the CPC if capital or by the Town Meeting if operational. Appropriation would not be required. There was considerable discussion. Members expressed concern that expending this revenue would not be seen as related to parking. The

Chair asked members to send concerns to Manager. The Manager will draft a vote for consideration next week.

SNOW & ICE: Chapdelaine said the expense is \$600k to \$700k over budget.

ART 45 COMMITTEES & COMMISSIONS: Voted \$25k for ACAC on 2/22.

VOTED \$29,835, the same as last year for the other bodies. Unanimous

ART 47 MISCELLANEOUS:

VOTED \$8,500 for indemnification of medical expenses. Unanimous

ART 56 FREE CASH: Town policy is to appropriate half of the approved amount.

VOTED \$4,850,566 to be used to help determine the tax rate.

ART 53 TRANSFER FROM SPED FUND: Will be handled in STM.

VOTED No action.

ART 57 LONG TERM STABILIZATION FUND

VOTED \$100,000 as recommended by the Manager. Unanimous

ART 59 SANCTUARY TOWN: Members expressed concern with possible loss of federal funds as retribution. Some thought this unlikely.

VOTED to take no position. Unanimous.

BUDGETS

RINK: HumSer SubCom Franclemont recommended the budget as printed. All group users are charged \$275/hr. Individual users are charged \$4/hr to \$6/hr depending on age. The fund balance is in line with previous years. The agreement with the State will be renegotiated in 2025. The revenue line #4233 is the Town's portion of the annual capital cost.

VOTED Expense \$599,214, Revenue \$599,214 Unanimous

RECREATION: HumSer SubCom Franclemont reported that the retained revenue is not encumbered and may be used to pay for programs that will substitute for the programs that were hosted at Gibbs.

COMMITTEE: Members urged to provide questions to Bodie asap to help her prepare for the hearing next week.

RESERVE FUND Balance: \$1,465,000

Peter Howard 3/16/17 Revised 3/22/17

Ref 1 Hardy Elementary School Expansion

Ref 2 Cafeteria Renovations

Ref 3 Gibbs Renovation

Ref 4 Parking Benefits District



**Town of Arlington
Office of the Town Manager**

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Town Manager

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To: Finance Committee

From: Adam Chapdelaine, Town Manager

RE: Special Town Meeting Warrant Article 3 – Hardy Elementary Expansion

Date: March 13, 2017

Over the course of the past several months, the School Enrollment Task Force (SETF) met to discuss the capacity challenges faced at the Hardy Elementary School. Current enrollment projections demonstrated a need for 3-4 more classrooms, without taking into account potential further enrollment growth which could be prompted by development of the Mugar property. In response to these challenges, the School Department hired HMFH Architects to study potential expansion options at the Hardy Elementary School. HMFH's report based on this study is attached to this memorandum.

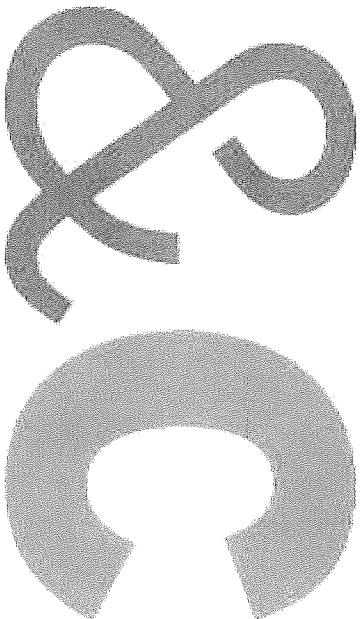
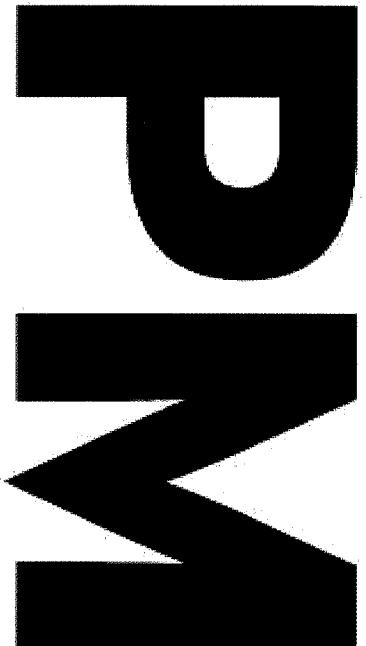
As can be seen in the report, HMFH provided three options for potential expansion, including both temporary and permanent solutions. After debate and discussion, the SETF voted to recommend moving forward with a permanent six classroom expansion. HMFH estimated that this option would cost \$2.4 million. The Town then engaged with Shawmut Design and Construction (Gibbs project construction managers) to provide a peer review of the cost estimates in order to assist in budgeting appropriately for this project. Their review suggested a construction cost of \$2.6 million, but when soft costs are included, the total estimated project cost is \$3.5 million as outlined below.

I will also note the line in the cost projection below labeled "Cafeteria Alternate". There has been discussion at the SETF regarding the need to expand the capacity at the Hardy Cafeteria due to the enrollment growth. Though no decisions have been made, I am including the \$50,000 figure as a means of accounting for this matter. Once final decisions are made about the scope of this work, the cost projections can be updated.

Hardy Expansion Cost Projection	
Shawmut Hard Costs	\$1,903,994
Shawmut Construction Soft Costs	\$695,555
Cafeteria Alternate	\$50,000
SubTotal	\$2,649,549
Design Fees	\$350,000
OPM Fees	\$175,000
Commissioning and Testing	\$35,000
FFE	\$144,000
Tech	\$144,000
SubTotal	\$848,000
Total	\$3,497,549

Based on this, I am recommending that the Finance Committee vote to recommend an appropriation of \$3.5 million under Article 3 at the Special Town Meeting. I understand that it is unorthodox for Town Meeting to make an appropriation for a construction project before design and bidding, but to the tight timeline of this project, I am recommending that we move forward in this manner. If the Finance Committee votes favorably on this matter, we will immediately begin the procurement process for an architect.

I look forward to discussing this proposal with you and answering any questions that you may have at Wednesday's meeting.



Feasibility Design Estimate

Hardy School CAFETERIA RENOVATIONS

Arlington, MA

PM&C LLC
20 Downer Avenue, Suite 1c
Hingham, MA 02043
(T) 781-740-8007
(F) 781-740-1012

Prepared for:

HMFH Architects, Inc

January 23, 2017



Hardy School
CAFETERIA RENOVATIONS
Arlington, MA

23-Jan-17

Feasibility Design Estimate

MAIN CONSTRUCTION COST SUMMARY

	Construction Start	Gross Floor Area	\$/sf	Estimated Construction Cost
CAFETERIA RENOVATION OPTION 1				
OPTION 1	Jun-17			\$18,640
SUB-TOTAL				\$18,640
ESCALATION TO START - (assumed 4% PA)	2.0%			\$373
DESIGN AND PRICING CONTINGENCY	15%			\$2,796
SUB-TOTAL				\$21,809
GENERAL CONDITIONS				\$10,000
BONDS	1.00%			\$218
INSURANCE	2.00%			\$436
PERMIT				NIC
OVERHEAD AND FEE	20.00%			\$4,362
TOTAL OF ALL CONSTRUCTION				\$36,825
CAFETERIA RENOVATION OPTION 2				
OPTION 2	Jun-18			\$47,244
SUB-TOTAL				\$47,244
ESCALATION TO START - (assumed 4% PA)	6.0%			\$2,835
DESIGN AND PRICING CONTINGENCY	15%			\$7,087
SUB-TOTAL				\$57,166
GENERAL CONDITIONS				\$15,000
BONDS	1.00%			\$572
INSURANCE	2.00%			\$1,143
PERMIT				NIC
OVERHEAD AND FEE	20.00%			\$11,433
TOTAL OF ALL CONSTRUCTION				\$85,314



Hardy School
CAFETERIA RENOVATIONS
Arlington, MA

23-Jan-17

Feasibility Design Estimate

CAFETERIA RENOVATION OPTION 3

OPTION 3	Jun-19	\$176,356
SUB-TOTAL		\$176,356
ESCALATION TO START - (assumed 4% PA)	10.0%	\$17,636
DESIGN AND PRICING CONTINGENCY	15%	\$26,453
SUB-TOTAL		\$220,445
GENERAL CONDITIONS		\$30,000
BONDS	1.00%	\$2,204
INSURANCE	2.00%	\$4,409
PERMIT		NIC
OVERHEAD AND FEE	20.00%	\$44,089
TOTAL OF ALL CONSTRUCTION		\$301,147
TOTAL COSTS TO COMPLETE ALL WORK UNDER ONE PHASE WITH GC ALREADY ON SITE		\$233,160



Hardy School
CAFETERIA RENOVATIONS
Arlington, MA

23-Jan-17

Feasibility Design Estimate

This Feasibility Design cost estimate was produced from drawings, and other documentation prepared by HMFH Architects Inc. and their design team dated January 1st, 2017. Design and engineering changes occurring subsequent to the issue of these documents have not been incorporated in this estimate.

This estimate includes all direct construction costs, General Contractor's overhead, fee and design contingency. Cost escalation assumes start dates indicated.

Bidding conditions are expected to be public bidding under Chapter 149 of the Massachusetts General Laws to pre-qualified general contractors, and pre-qualified sub-contractors, open specifications for materials and manufactures.

The estimate is based on prevailing wage rates for construction in this market and represents a reasonable opinion of cost. It is not a prediction of the successful bid from a contractor as bids will vary due to fluctuating market conditions, errors and omissions, proprietary specifications, lack or surplus of bidders, perception of risk, etc. Consequently the estimate is expected to fall within the range of bids from a number of competitive contractors or subcontractors, however we do not warrant that bids or negotiated prices will not vary from the final construction cost estimate.

ITEMS NOT CONSIDERED IN THIS ESTIMATE

Items not included in this estimate are:

- Land acquisition, feasibility, and financing costs
- All professional fees and insurance
- Costs associated with the removal of any hazardous materials.
- Site or existing conditions surveys investigations costs, including to determine subsoil conditions
- All Furnishings, Fixtures and Equipment
- Items identified in the design as Not In Contract (NIC)
- Items identified in the design as by others
- Owner supplied and/or installed items as indicated in the estimate
- Utility company back charges, including work required off-site
- Work to City streets and sidewalks, (except as noted in this estimate)
- Construction contingency



Hardy School
CAFETERIA RENOVATIONS
Arlington, MA

23-Jan-17

Feasibility Design Estimate

	DESCRIPTION	QTY	UNIT	UNIT COST	EST'D COST	SUB TOTAL	TOTAL COST
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CAFETERIA RENOVATION OPTION 1

C10 INTERIOR CONSTRUCTION

C1020 INTERIOR DOORS

New double door on hold opens	1	ls	8,000.00	8,000
SUBTOTAL				8,000

TOTAL - INTERIOR CONSTRUCTION

\$8,000

C30 INTERIOR FINISHES

C3010 WALL FINISHES

Paint/patch to walls etc.	1	ls	1,440.00	1,440
SUBTOTAL				1,440

C3020 FLOOR FINISHES

Patch existing floors at removed walls	50	lf	30.00	1,500
SUBTOTAL				1,500

C3030 CEILING FINISHES

ACT, 2x2	200	sf	8.00	1,600
SUBTOTAL				1,600

TOTAL - INTERIOR FINISHES

\$4,540

F20 SELECTIVE BUILDING DEMOLITION

F2010 BUILDING ELEMENTS DEMOLITION

Remove existing partition @ cafeteria	700	sf	4.00	2,800
Remove ceilings	200	sf	4.00	800
Miscellaneous demo/protection	1	ls	2,500.00	2,500
SUBTOTAL				6,100

F2020 HAZARDOUS COMPONENTS ABATEMENT

All Haz Mat costs excluded
SUBTOTAL

TOTAL - SELECTIVE BUILDING DEMOLITION

\$6,100

TOTAL OPTION 1

\$18,640



Hardy School
CAFETERIA RENOVATIONS
Arlington, MA

23-Jan-17

Feasibility Design Estimate

	DESCRIPTION	QTY	UNIT	UNIT COST	EST'D COST	SUB TOTAL	TOTAL COST
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CAFETERIA RENOVATION OPTION 2

A1o FOUNDATIONS

A1030 LOWEST FLOOR CONSTRUCTION

New Slab on grade, 5" thick

Rigid insulation, 1"	350	sf	2.00	700
Vapor barrier	350	sf	1.00	350
Compact existing sub-grade	350	sf	2.00	700
Mesh reinforcing 15% lap	403	sf	1.25	504
Concrete - 5" thick; 4,000 psi	6	cy	150.00	900
Placing concrete	6	cy	250.00	1,500
Finishing and curing concrete	350	sf	5.00	1,750
SUBTOTAL				6,404

TOTAL - FOUNDATIONS

\$6,404

C1o INTERIOR CONSTRUCTION

C1020 INTERIOR DOORS

New double door on hold opens	1	ls	8,000.00	8,000
SUBTOTAL				8,000

TOTAL - INTERIOR CONSTRUCTION

\$8,000

C3o INTERIOR FINISHES

C3010 WALL FINISHES

Paint/patch to walls etc.	1	ls	3,600.00	3,600
SUBTOTAL				3,600

C3020 FLOOR FINISHES

Patch existing floors at removed walls	50	lf	30.00	1,500
New flooring; VCT including patching	500	sf	7.00	3,500
SUBTOTAL				5,000

C3030 CEILING FINISHES

ACT, 2x2	700	sf	8.00	5,600
SUBTOTAL				5,600

TOTAL - INTERIOR FINISHES

\$14,200

F2o SELECTIVE BUILDING DEMOLITION

F2010 BUILDING ELEMENTS DEMOLITION

Remove existing partition @ cafeteria	700	sf	5.00	3,500
Remove existing partitions	308	sf	5.00	1,540
Remove platform/stage area	350	sf	20.00	7,000
Remove ramp	80	sf	10.00	800



Hardy School
CAFETERIA RENOVATIONS
Arlington, MA

23-Jan-17

Feasibility Design Estimate

	DESCRIPTION	QTY	UNIT	UNIT COST	EST'D COST	SUB TOTAL	TOTAL COST
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CAFETERIA RENOVATION OPTION 2

Remove ceilings	200	sf	4.00	800		
Miscellaneous demo/protection	1	ls	5,000.00	5,000		
SUBTOTAL						18,640

F2020 HAZARDOUS COMPONENTS ABATEMENT

All Haz Mat costs excluded
SUBTOTAL

TOTAL - SELECTIVE BUILDING DEMOLITION	\$18,640
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TOTAL OPTION 2	\$47,244
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Hardy School
CAFETERIA RENOVATIONS
Arlington, MA

23-Jan-17

Feasibility Design Estimate

	DESCRIPTION	QTY	UNIT	UNIT COST	EST'D COST	SUB TOTAL	TOTAL COST
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CAFETERIA RENOVATION OPTION 3

A1o FOUNDATIONS

A1030 LOWEST FLOOR CONSTRUCTION

New Slab on grade, 5" thick

Rigid insulation, 1"	350	sf	2.00	700
Vapor barrier	350	sf	1.00	350
Compact existing sub-grade	350	sf	2.00	700
Mesh reinforcing 15% lap	403	sf	1.25	504
Concrete - 5" thick; 4,000 psi	6	cy	150.00	900
Placing concrete	6	cy	250.00	1,500
Finishing and curing concrete	350	sf	5.00	1,750
SUBTOTAL				6,404

TOTAL - FOUNDATIONS

\$6,404

B1o SUPERSTRUCTURE

B1010 FLOOR CONSTRUCTION

Floor Structure - Steel:

Steel beams	3	tns	5,000.00	15,000
Shear studs	80	ea	2.50	200

Floor Structure

3-1/2" Metal floor Deck	400	sf	6.00	2,400
WWF reinforcement	460	sf	1.20	552
Concrete Fill to metal deck; 5 1/4" Light weight	6	cy	170.00	1,020
Place and finish concrete	400	sf	5.00	2,000

Miscellaneous

Fire stopping floors	2	firs	1,500.00	3,000
SUBTOTAL				24,172

B1020 ROOF CONSTRUCTION

SUBTOTAL

TOTAL - SUPERSTRUCTURE

\$24,172

C1o INTERIOR CONSTRUCTION

C1010 PARTITIONS

Partitions	840	sf	16.00	13,440
SUBTOTAL				13,440

C1020 INTERIOR DOORS

New double door on hold opens	1	ls	8,000.00	8,000
New single door	2	ea	2,000.00	4,000
SUBTOTAL				12,000



Hardy School
CAFETERIA RENOVATIONS
Arlington, MA

23-Jan-17

Feasibility Design Estimate

	DESCRIPTION	QTY	UNIT	UNIT COST	EST'D COST	SUB TOTAL	TOTAL COST
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CAFETERIA RENOVATION OPTION 3

TOTAL - INTERIOR CONSTRUCTION	\$25,440
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C3o INTERIOR FINISHES

C3o1o WALL FINISHES

Paint/patch to walls etc.	1	ls	5,400.00	5,400
SUBTOTAL				5,400

C3o2o FLOOR FINISHES

Patch existing floors at removed walls	50	lf	30.00	1,500
New flooring; VCT including patching	900	sf	7.00	6,300
SUBTOTAL				7,800

C3o3o CEILING FINISHES

ACT, 2x2	1,400	sf	8.00	11,200
SUBTOTAL				11,200

TOTAL - INTERIOR FINISHES	\$24,400
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D3o HVAC

D3o HVAC, GENERALLY

HVAC allowance	1	ls	30,000.00	30,000
SUBTOTAL				30,000

TOTAL - HVAC	\$30,000
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D4o FIRE PROTECTION

D4o FIRE PROTECTION, GENERALLY

Modify/new sprinkler system	1	ls	5,000.00	5,000
SUBTOTAL				5,000

TOTAL - FIRE PROTECTION	\$5,000
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D5o ELECTRICAL

D5o4o ELECTRICAL SYSTEMS

New lighting and power	1	ls	20,000.00	20,000
SUBTOTAL				20,000

TOTAL - ELECTRICAL	\$20,000
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F2o SELECTIVE BUILDING DEMOLITION

F2o1o BUILDING ELEMENTS DEMOLITION

Remove existing partition @ cafeteria	700	sf	5.00	3,500
Remove existing partitions	1,148	sf	5.00	5,740



Hardy School
CAFETERIA RENOVATIONS
Arlington, MA

23-Jan-17

Feasibility Design Estimate

	DESCRIPTION	QTY	UNIT	UNIT COST	EST'D COST	SUB TOTAL	TOTAL COST
CAFETERIA RENOVATION OPTION 3							
	Remove platform/stage area	350	sf	20.00	7,000		
	Remove ramp	80	sf	10.00	800		
	Remove doors	2	ea	150.00	300		
	Remove stairs	2	flts	6,000.00	12,000		
	Remove floor finishes	300	sf	2.00	600		
	Remove ceilings	500	sf	2.00	1,000		
	Miscellaneous demo/protection	1	ls	10,000.00	10,000		
	SUBTOTAL						40,940
F2020 HAZARDOUS COMPONENTS ABATEMENT							
	All Haz Mat costs excluded						
	SUBTOTAL						
TOTAL - SELECTIVE BUILDING DEMOLITION							
TOTAL OPTION 3							
\$40,940							
\$176,356							

Hardy School Cafeteria Expansion
Budgetary Costs

Option 1 (remove corridor wall/add doors)

Construction costs	36,825
20% sof costs	7,365
	<hr/>
	\$44,190

Option 2 (incl. Option 1 plus removal of the stage)

Construction costs	85,314
20% sof costs	17,063
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	\$102,377

Option 3 (incl. Options 1 & 2 plus removal of the stairs AND creates 2 Small Group rooms)

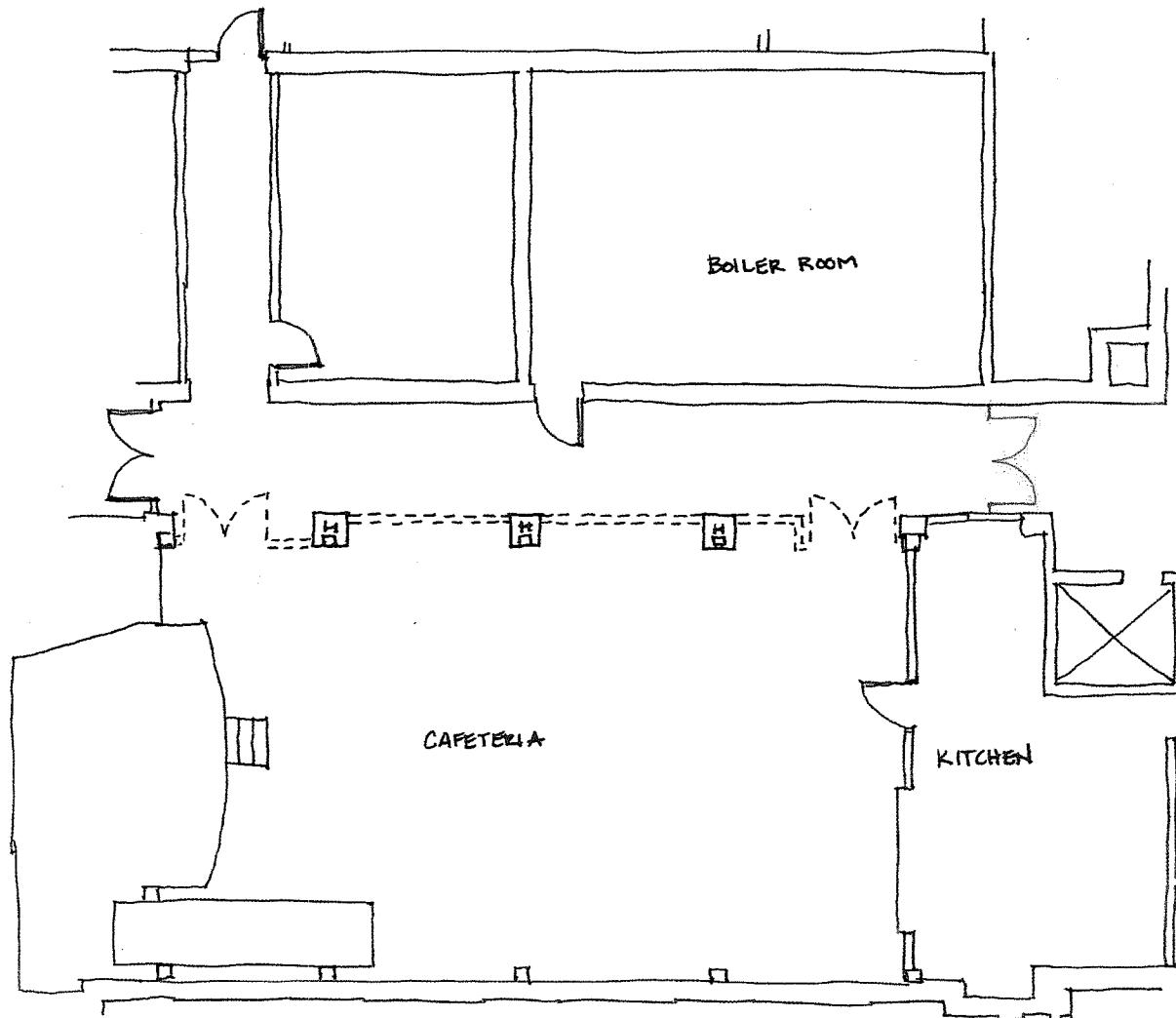
Construction costs	301,147
20% sof costs	60,229
	<hr/>
	\$361,376

CONVERSELY,

If Option 3 were constructed concurrently with the classroom addition by the same contractor:

Construction costs	233,160
20% sof costs	46,632
	<hr/>
	\$279,792

KEY
Demo - - -
New —

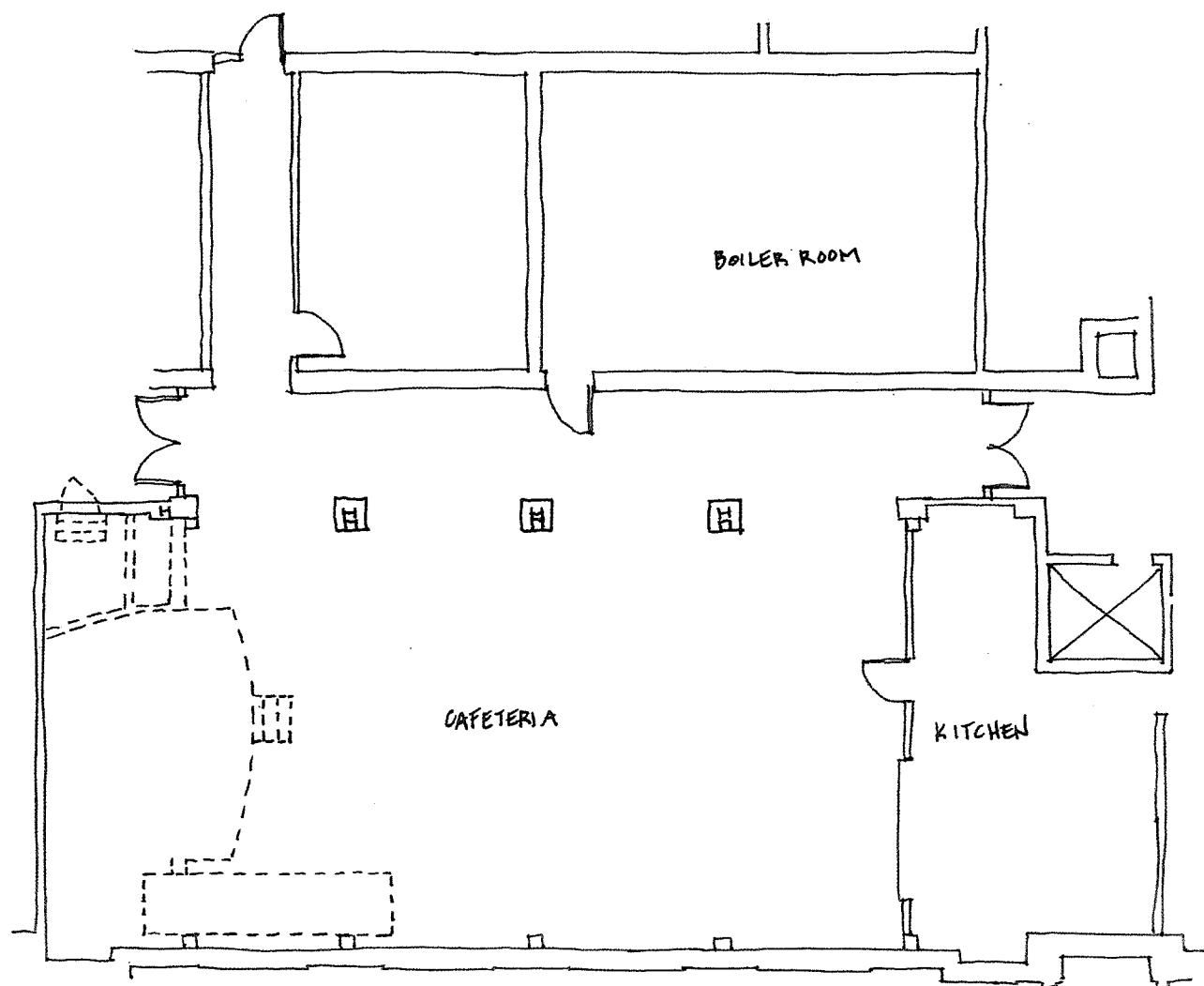


HARDY ELEMENTARY SCHOOL
Arlington, MA

CAFETERIA EXPANSION OPTIONS - **OPTION 1**

HM
FH
ARCHITECTS

KEY
Demo - - -
New —

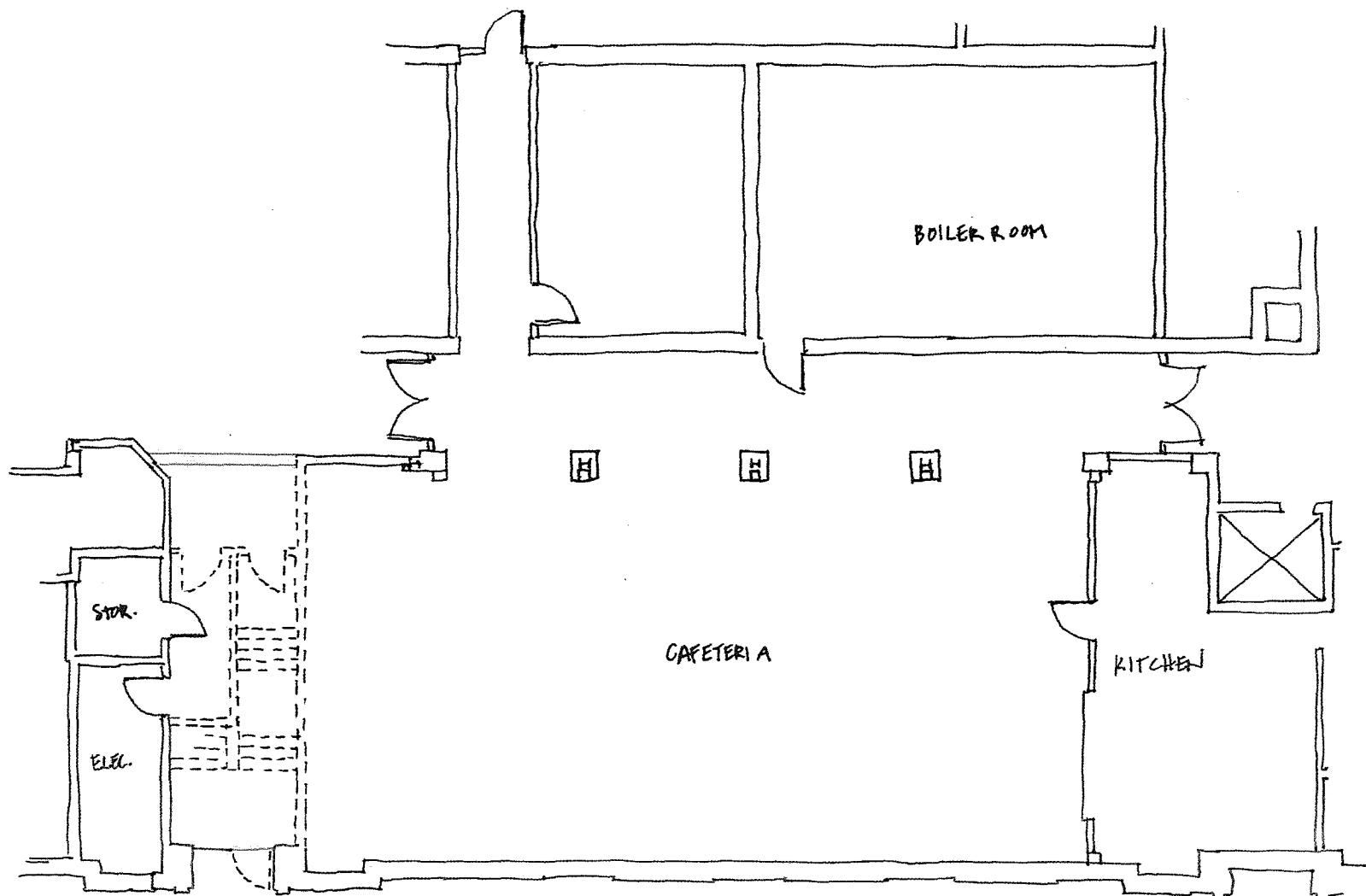


HARDY ELEMENTARY SCHOOL
Arlington, MA

CAFETERIA EXPANSION OPTIONS - **OPTION 2 (INCL. 1)**

H M
F H
ARCHITECTS

KEY
Demo - - -
New —



HARDY ELEMENTARY SCHOOL
Arlington, MA

CAFETERIA EXPANSION OPTIONS - **OPTION 3** (INCL. 1+2)

H M
F H
ARCHITECTS



**Town of Arlington
Office of the Town Manager**

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To: Finance Committee

From: Adam Chapdelaine, Town Manager

RE: Special Town Meeting Warrant Article 4 – Gibbs Renovation

Date: March 14, 2017

Last year, the School Enrollment Task Force, School Committee, Town Meeting, and ultimately the voters, via successful debt exclusion, approved the renovation of the Gibbs School for use as a Town wide 6th grade school. This project is aimed at addressing capacity issues at the Ottoson Middle School.

At the time of the debt exclusion last year, the project was estimated to cost \$25 million. This figure was developed based upon a study performed by HMFH architects, with soft costs and contingencies added on by the Town Manager. Special Town Meeting in spring of 2016 authorized an initial borrowing of \$2,550,000 in order for an Owner's Project Manager (OPM) and architectural firm to be hired. Since that time, NV5 has been hired as the OPM, Finegold Alexander has been hired as the architectural firm, and Shawmut Construction has been selected as the construction manager at risk (CM).

This project team has been working with the School Department and the Permanent Town Building Committee (PTBC) on design and cost estimation for this project, and in order to open the school in September of 2018, need to begin construction in July of 2017. At this time, as can be viewed on the accompanying spreadsheet, cost estimates for the project are at approximately \$26.9 million. One of the primary drivers for the cost difference between initial estimates and the latest estimates are the addition of necessary exterior work and window replacement that was not included in the original report by HMFH. The project team has provided several potential items that could be excluded from the scope of the project in order to reduce cost, but thus far, it has been the judgement of the Superintendent of Schools, Town Manager, Facilities Director, and Chair of the PTBC that such reductions would not be appropriate in terms of building operations and educational programming.

Based on upon this, I am recommending that the Finance Committee recommend to Town Meeting approving a further borrowing authorization and appropriation of \$24,450,000 for this project, bringing the total project authorization to \$27,000,000.

Bridging the gap between the initial \$25 million budget and the requested \$27 million can be achieved via two measures. First, the Department of Revenue allows for inflationary increases of the initial debt exclusion based upon construction inflation indices. It is estimated this measure could provide \$850,000 - \$1,000,000 in additional debt excluded borrowing capacity. The second measure would be for the non-exempt capital budget to carry the borrowing costs for the remaining \$1,000,000 that would need to be borrowed. It is my understanding that the Chair of the Capital Planning Committee will work to adjust the FY 2018 capital plan to accommodate this, with the approval of the Finance Committee.

I look forward to discussing this matter with you at Wednesday's meeting.



**Town of Arlington
Office of the Town Manager**

Adam W. Chapdelaine
Town Manager

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To: Finance Committee

From: Adam Chapdelaine, Town Manager

RE: Parking Operating Expenditures & Parking Benefits District (Warrant Articles 26 & 39)

Date: March 15, 2017

I am writing to provide the committee with further details regarding both Warrant Article 26 (Parking Benefits District) and Warrant Article 39 (Parking Operating Costs).

Warrant Article 26 –Parking Benefits District

This warrant article, which received a vote of favorable action from the Board of Selectmen on Monday, March 13th, is a request for Town Meeting to adopt a new section of law that was created as part of the Municipal Modernization Act. This new section, M.G.L. Chapter 40 §22A ½, allows the town to establish a parking benefits district in a geographically defined area for which parking revenues can be expended to make improvements to the public realm as well as transportation improvements. Adoption of this section of law would allow for a creation of such a district in Arlington Center, and funds from the newly installed meters would go toward this fund. I will provide a more detailed explanation of the overall budget projections for the parking meters under my description of Article 39, but initial projections for funds that would be available for the parking benefits district estimate \$150,000.

Warrant Article 39 – Parking Operating Costs

M.G.L. Chapter 40 §22A was adopted at the Special Town Meeting in October and this section of law allows for parking revenues to support the acquisition, installation, maintenance and operations of parking meters without appropriation. After consulting with the Department of Revenue, the Comptroller is advising that if approved, the parking benefits district be set up as a subaccount to this primary parking expenditure fund.

The chart below outlines both the projected expenses and revenues from both the single space and multi-space meters.

<i>Single & Multi-Space Meters</i>	<i>Annual Exp.</i>	<i>Annual Rev.</i>
IPS CC Fee	\$21,291	
Elavon CC Fee	\$40,200	
Monthly Gateway Data Fee	\$10,035	
Monthly Mgmt. System Fee	\$4,392	
Coin Collection	\$34,000	
Single Space First Parish Lease	\$6,000	
Single Space Leasing Payment	\$46,561	
Share of Parking Enforcement	\$56,439	
Share of Parking Admin.	\$45,848	
Share of Parking Benefit Dist.	\$150,000	
Total	\$414,765	\$425,000

It should also be noted that by structuring the funding in this manner, the currently general fund supported parking administration (general fund parking budget) and enforcement costs (police budget) can be reduced by \$102,286. It is my recommendation that this amount be reallocated to the snow & ice budget for FY 2018. This is due to having the parking fund support 50% of the costs associated with both parking administrative costs and parking enforcement costs.

Also, the general fund has historically budgeted \$490,000 as a local receipt from parking revenues. Under this plan, we would treat parking permit revenue and violation revenue as a general fund receipt. Current projections estimate revenues in the amount of \$540,000 from these two sources, providing a \$50,000 boost to general fund revenues. Collectively, when combined with the centralized cost savings, this recommended plan will provide the general fund with a benefit exceeding \$150,000.

From a process perspective, I recommend that this parking be annually brought before both the Finance Committee and Town Meeting for endorsement, in the absence of a need for appropriation. Also, should any of the Parking Benefit District funds be proposed for capital improvements, I would recommend that such improvements be reviewed by the Capital Planning Committee.

I look forward to discussing this matter with you on Wednesday evening.